



OFFICE OF THE GOVERNOR

RICK PERRY
GOVERNOR

September 26, 2011

The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear President Obama:

Several weeks ago, you ordered the Environmental Protection Agency (EPA) to delay implementation of the National Ambient Air Quality standards for ozone. I write to you today to urge you to use that same authority to prevent or, at least, delay EPA's adoption of the Cross State Air Pollution Rules (CSAPR). I have challenged other rules that EPA has proposed or adopted in the past, but these rules are different. The implementation of CSAPR will happen quickly and will have an immediate and devastating effect on Texas jobs, our economy, and our ability to supply the electricity our citizens, schools and employers need.

Texas has filed a petition for reconsideration and stay of these rules because EPA has failed to provide the required notice and follow required procedures, the implementation timeline is impossible to meet, and the rules will have an adverse effect on the reliability of our electricity grid and on our economy. EPA failed to consider these effects before it finalized CSAPR.

On September 1, the Electric Reliability Council of Texas (ERCOT) released its assessment of the impact that CSAPR will have on the reliability of its electric grid. ERCOT estimates that implementation of these rules will result in the loss of 1,200 to 1,400 megawatts of generation during peak months and up to 6,000 megawatts in non-peak months. In the future, this will result in significant reliability challenges. As ERCOT explained, "had this incremental reduction been in place in 2011, ERCOT would have experienced rotating outages during days in August." And while ERCOT's assessment does not analyze the rules' impact on job losses, Luminant, the state's largest owner of generation, announced on September 12 that compliance with CSAPR will result in the loss of at least 500 Luminant jobs in Texas. Finally, information from Southwest Public Service Company, an Xcel Energy operating company that serves customers in Texas and New Mexico, indicates that compliance with these rules could cause electricity prices to rise 20 percent across its service territory.

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Mr. President, you have recently proclaimed that your administration is committed to creating jobs. These rules do not create jobs. They are a job killer in Texas, and they must be stopped.

It is time for the EPA to stop and consider the staggering, cumulative impact of all of its newly proposed and adopted rules, before it proceeds any further. I urge you to use your executive authority to stop or delay the implementation of this and all other destructive rules, and to work with Congress to pass legislation that will prevent EPA from unilaterally establishing rules that kill jobs and increase electricity prices.

I appreciate your immediate and careful consideration of this most important matter.

Sincerely,

A handwritten signature in black ink that reads "Rick Perry". The signature is written in a cursive, slightly slanted style. The "R" is large and loops around the "i". The "Perry" part is also cursive, with the "y" having a long, sweeping tail.

Rick Perry
Governor

RP:mop